

VZCZCXYZ0006
PP RUEHWEB

DE RUEHTV #0483/01 0611207
ZNR UUUUU ZZH
P 021207Z MAR 09
FM AMEMBASSY TEL AVIV
TO RUEHC/SECSTATE WASHDC PRIORITY 0754
RHEHAAA/WHITE HOUSE WASHDC PRIORITY
RHEHNSC/WHITE HOUSE NSC WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RUEAHQA/HQ USAF WASHINGTON DC PRIORITY
RUEADWD/DA WASHDC PRIORITY
RHMFIUU/CNO WASHINGTON DC PRIORITY
RHEFDIA/DIA WASHINGTON DC PRIORITY
RUEKJCS/JOINT STAFF WASHDC PRIORITY
RUEHAD/AMEMBASSY ABU DHABI PRIORITY 5081
RUEHAS/AMEMBASSY ALGIERS PRIORITY 1679
RUEHAM/AMEMBASSY AMMAN PRIORITY 5571
RUEHAK/AMEMBASSY ANKARA PRIORITY 5890
RUEHLB/AMEMBASSY BEIRUT PRIORITY 5118
RUEHEG/AMEMBASSY CAIRO PRIORITY 3613
RUEHDM/AMEMBASSY DAMASCUS PRIORITY 5922
RUEHLO/AMEMBASSY LONDON PRIORITY 2748
RUEHFR/AMEMBASSY PARIS PRIORITY 0960
RUEHRB/AMEMBASSY RABAT PRIORITY 9669
RUEHRO/AMEMBASSY ROME PRIORITY 7170
RUEHRH/AMEMBASSY RIYADH PRIORITY 2129
RUEHTU/AMEMBASSY TUNIS PRIORITY 6171
RUCNDT/USMISSION USUN NEW YORK PRIORITY 8209
RUEHJI/AMCONSUL JEDDAH PRIORITY 0999
RUEHJM/AMCONSUL JERUSALEM PRIORITY 1557
RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY
RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY
RHMFIUU/COMSIXTHFLT PRIORITY

UNCLAS TEL AVIV 000483

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XXXX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD
LONDON ALSO FOR HKANONA AND POL
PARIS ALSO FOR POL
ROME FOR MFO

SIPDIS
E.O. 12958: N/A
TAGS: [OPRC](#) [KMDR](#) [IS](#)

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key stories in the media:

The media agreed in their speculation that Secretary of State Hillary Clinton will not pressure Israel during her upcoming visit. Maariv printed a table of differences between PM-designate Benjamin Netanyahu and the U.S. administration regarding Palestinian statehood, Fatah-Hamas reconciliation, and the Iranian threat.

Yesterday HaQaretz quoted the Secretary as saying in an interview on Friday with Voice of America that she would emphasize her country's commitment to a two-state solution. HaQaretz reported that in an interview in The Washington Post on Saturday, Netanyahu did not confirm or deny a belief in the two-state solution. "Substantively, there is broad agreement inside Israel and outside that the Palestinians should have the ability to govern their lives but not to threaten ours," he was quoted as saying.

The Jerusalem Post reported that Netanyahu voiced serious reservations during recent meetings with foreign leaders about money going into Gaza for reconstruction before the rocket fire on Israel has stopped. After hearing in one meeting that European taxpayers were concerned about investing in Gaza only to see further destruction at the hands of the IDF, Netanyahu explained that Israel tried hard to avoid civilian casualties and targeted only those areas used by terrorists. He then reportedly said he was not willing to sacrifice Israel's security "for a smile." Sources close to Netanyahu said it would be critical for humanitarian aid to bypass Hamas, especially with the Islamist group continuing to fire rockets into Israel.

Leading media reported that Labor Party Chairman Ehud Barak has called Labor MKs in recent days and told them that the party should join a national unity government led by Netanyahu. Israel Radio quoted Barak associates as saying that Barak was still going to go into opposition. The media reported that the two will meet again. The media reported that Transportation Minister Shaul Mofaz (Kadima) favors a Likud-Kadima coalition. HaQaretz and other media reported that the PA will ask for another \$2.7-2.8 billion from donor nations today: \$1.326 billion to rehabilitate the Gaza Strip in 2009-2010 and \$1.415 billion to support the PA's annual budget. HaQaretz said that the real challenge behind "The Palestinian National Early Recovery and Reconstruction Plan for Gaza, 2009-2010" is the competition between the two rival Palestinian governments, the PA in Ramallah and Hamas in Gaza, over who gets the credit for rebuilding Gaza after Operation Cast Lead. Hamas has announced in the media that it has already evaluated the damage in the Strip and formulated a recovery plan using its own sources of funding. Meanwhile, the PA is attempting to implement its own plan through various subcontractor and UN agencies since its institutions have not operated in Gaza for nearly two years.

All media pointed to a discrepancy between remarks made by two top U.S. defense officials on Iran's nuclear capability, which HaQaretz said could influence President Obama's policy decision. The media quoted Michael Mullen, the Chairman of the Joint Chiefs of Staff, as saying on Sunday on CNN's "State of the Union" program that Iran had enough nuclear material to make a bomb. Conversely, Defense Secretary Robert Gates said on NBC's Meet the Press that Tehran was not close to building such a weapon. Yesterday The Jerusalem Post quoted DM Barak as saying on Friday that future talks between the U.S. and Iran over the latter's nuclear program should not drag out indefinitely.

All media reported that Attorney General Menachem Mazuz told PM Ehud Olmert's legal team Sunday that Olmert may be indicted over suspicions of receiving illicit funds from New York millionaire Morris Talansky. The indictment is pending an additional hearing, said Mazuz. In a letter to Olmert's attorneys, Mazuz stated that he believes the PM had methodically abused his public office to acquire personal favors from Talansky over a period of time. Mazuz wrote Olmert obtained financial favors in exchange for assisting Talansky in his business ventures, while being in a conflict of interests. A similar announcement was given to the lawyers of Shula Zaken, then director of Olmert's office. The actual charges Olmert is faced with are fraud and breach of trust. The prosecution decided not to include bribery among the charges, for lack of sufficient evidence. A source in the Attorney General's office said that no decision has as yet been made whether to prosecute Talansky or Olmert's former associate, attorney Uri Messer. Mazuz is expected to soon reach a decision on the investment center affair, and any decision regarding Talansky will be announced at the same time. Media quoted Olmert

associates as saying that a Qmountain had been made out of a molehill.

Yesterday Yediot reported that high-ranking officers are expressing frustration over the government's behavior since the end of Operation Cast Lead. They claim that the IDF's military accomplishments from that time are being eroded because of the political echelon's impotence.

Major media reported that over the weekend FM Tzipi Livni praised the Obama administration's decision not to participate in a UN anti-racism summit known as Durban 2, which it fears will be used as a forum to criticize Israel. HaQaretz and The Jerusalem Post reported that yesterday major Jewish American and international Jewish groups lauded the United States' decision. The Conference of Presidents of Major American Jewish Organizations and other groups also urged the EU to follow the U.S. administration's lead.

The media reported that on Saturday ten rockets struck southern Israel -- two improved Qassam rockets fell on Ashkelon, one into an empty school. Seven more rockets landed in Israel yesterday. HaQaretz reported that yesterday PM Olmert ordered DM Ehud Barak to implement a military response to the ongoing rocket fire as soon as possible, in accordance with a cabinet decision taken last week. "The cabinet decided that if the firing continues from Gaza, it will be met with a painful, harsh, strong and uncompromising response from the security forces," Olmert was quoted as saying.

HaQaretz quoted Likud sources as saying yesterday that the "narrow government" is likely to be even narrower than expected -- a mere 61 MKs instead of 65. That is because Netanyahu may opt not to bring in National Union, for fear of adverse reactions in both the local and international media. One of National Union's four Knesset members, Michael Ben-Ari, used to belong to Meir Kahane's Kach movement, which both Israel and the U.S. have labeled a terrorist organization. In contrast, the sources were quoted as saying that Netanyahu has no problem making Yisrael Beiteinu chairman Avigdor QYvetQ Lieberman foreign minister, even though Lieberman has also been branded in the local and international press as a racist. "This is both because he [Netanyahu] admires him, and because he knows that Yvet can be tamed. More accurately, Yvet knows how to tame himself if necessary," one source was quoted as saying. HaQaretz also reported that a narrow Likud-led government is likely to include a lot of new faces, but only one woman: former minister Limor Livnat. That would contradict Netanyahu's campaign pledge to give women "fair representation" in his cabinet.

The Jerusalem Post quoted Israeli defense officials as saying that Egypt's decision to let Hamas No. 2 Moussa Abu Marzouk visit Gaza last week was Egypt's way to express its anger with PM Olmert's rejection last month of Cairo's proposal for a cease-fire with Hamas as well as for using other channels to negotiate a deal for Gilad Shalit's release. Over the weekend some media quoted Palestinian sources as saying that Israel had given a secret green light for Abu Marzouk's visit.

The Jerusalem Post and other media reported that the Pentagon informed the Defense Ministry that the IDF can no longer use American foreign military aid to purchase Qnon-essential items.

Yesterday Maariv and other media cited Netanyahu's decision to appoint Uzi Arad as the director of the National Security Council. In the past, Arad made a statement in the media in favor of the establishment of a Palestinian state alongside Israel, and he sees the demographic threat as an important reason for Israel to leave the territories and give control over the Palestinian population to the PA. In 2005, he was invested by the FBI in Washington for his connections with Larry Franklin, who was suspected of having leaked classified information to Israel when he worked at the Pentagon.

HaQaretz and Yediot reported that 27-year-old Israeli-Arab Ismail Saleiman, suspected of being a prospective Hizbullah spy, was indicted yesterday on charges of contact with a foreign agent.

HaQaretz reported that the renowned Portuguese author Jose Saramago and dozens of leading opinion-shapers were listed as cosignatories in an "urgent" petition for removing Hamas and all Palestinian "liberation organizations" from the European list of terrorist groups. The petition was circulated as pro-Palestinian activists around the world launch the fifth "Israeli Apartheid Week."

Mideast:

Summary:

The Director of the Interdisciplinary Center's Global Research in International Affairs Center, columnist Barry Rubin, wrote in the conservative, independent Jerusalem Post: QEarly on this administration must comprehend that reputations will not be built, Nobel Peace Prizes won, or Arab and European cooperation won by sacrificing Israel's vital interests. In exchange, Clinton must see that Israel wants to make her look successful and to cooperate on reasonable terms.

The Jerusalem Post editorialized: QWe urge the donor nations to look clear-headedly at the reality of Gaza, and recognize that the prerequisite for sustainable reconstruction is an end to the abuse of Gaza as a base for attacking Israel.

Veteran journalist and anchor Dan Margalit wrote in the independent Israel Hayom: Q[Tzipi Livni] is demanding that Netanyahu give her here and now what she has failed to extract from Abu Mazen in three years, and yet she has not despaired of engaging Abu Mazen in dialogue, and rightly so.

The independent, left-leaning Ha'aretz editorialized: QThe outgoing Prime Minister has not learned a thing.... Now is not the time for threats, it's the time for negotiations.

Veteran journalist and anchor Yaron London wrote in the mass-circulation, pluralist Yediot Aharonot: QEven if the unforeseen happens and the elites on both sides decide to form a joint political entity, [Israeli sociologist Tamar] Hermann says, it will soon collapse, because both peoples have a tradition of rebelling against their leaders.

Block Quotes:

I. "Helping Hillary while Keeping Israel Safe"

The Director of the Interdisciplinary Center's Global Research in International Affairs Center, columnist Barry Rubin, wrote in the conservative, independent Jerusalem Post (3/2): QSecretary of State Hillary Clinton is arriving in Israel on the first of what will no doubt be many visits. Beyond the simple self-interest of making her feel appreciated, most Israelis are genuinely glad that she was appointed to this job. The reason why is critical to understanding the future of U.S. Middle East policy and U.S.-Israel relations. What is most important is that Clinton is regarded as a realist.... Moreover, it's not just that she spoke positively about Israel -- a senator from New York could do no less -- but that the way she explained her positions seemed to indicate she really understood the situation.... If [Israel's claim of Qnatural growthQ in the settlements] were to change, Clinton could claim a victory of stopping settlements, usually portrayed by the PA as its main grievance, that is, excuse for not doing more itself. Such a concession should not be unthinkable but the question is what would Israel get in exchange? U.S. pressuring the PA to stop officially inspired anti-Israel incitement; changing its schools and media to advocate a two-state solution; greater U.S. backing for Israel's security regarding Gaza? Asking Israel to do something on the settlement issue is all right if -- but only if -- there is more real compliance from the Palestinian side. Finally and importantly there is the question of Gaza.... Early on this administration must comprehend that reputations will not be built, Nobel Peace Prizes won, or Arab and European cooperation won by sacrificing Israel's vital interests. In exchange, Clinton must see that Israel wants to make her look successful and to cooperate on reasonable terms. On such a basis of understanding and good will a very successful partnership can be built.

II. "Gaza Preconditions"

The Jerusalem Post editorialized (3/2): QIsrael has an unparalleled

interest in an economically viable and tranquil Gaza. It would like nothing better than for Gazans to avail themselves of educational and economic opportunities. But these cannot be sustained unless Gaza behaves like the donor nations expect their own neighbors to behave. Let those nations seek a non-Hamas-channeled process for reconstructing Gaza. But the transfer of funds must be made contingent on a proven commitment to cease rocket attacks: Hamas's unequivocal obligation to a genuine cease-fire, demonstrated by several months of uninterrupted calm. Without this, reconstruction contributions will wind up not merely being wasted but rather, directly or indirectly, boosting Hamas's war-chest. As long as Israelis are fired upon, no Gazan reconstruction can last. Sooner or later Israel will again have to protect its citizens -- as would every donor nation were its people similarly threatened. Ignoring that cause and effect is a recipe for the misuse of international funds. We urge the donor nations to look clear-headedly at the reality of Gaza, and recognize that the prerequisite for sustainable reconstruction is an end to the abuse of Gaza as a base for attacking Israel.

III. "Livni's Intransigence"

Veteran journalist and anchor Dan Margalit wrote in the independent Israel Hayom (3/1): QIt is inconceivable that Tzipi Livni should turn over every stone in her talks with Abu Mazen and Abu Ala, but should refuse to form negotiating teams with Benjamin Netanyahu in order to examine the possibility of achieving a political formula for the next government.... She is demanding that Netanyahu give her here and now what she has failed to extract from Abu Mazen in three years, and yet she has not despaired of engaging Abu Mazen in dialogue, and rightly so. Livni is worthy of being a senior partner in the government. Netanyahu understands that. He has offered her up to half the kingdom, everything but a rotating premiership. But she is prepared to give everything up in exchange for rotation. That is disappointing when we're talking about a public figure who comes from [Likud's founding father] Zeev Jabotinsky's legacy of glory.... The paramount responsibility for achieving that objective [national unity], which is what a preponderance of Kadima voters want, lies with [Shaul] Mofaz. By means of an open, responsible, patriotic debate, it is crucial that he demand another meeting of the Kadima faction before it turns its back on what is a patently clear national interest.... Netanyahu isn't exempt from having to take extraordinary steps either. If I were in his place, I would walk over tomorrow to the Kadima and Labor Party faction rooms in the Knesset and engage the faction members in a pointed and issue-oriented discussion with those two factions that want to stay out of the government during years in which Israel can be certain that it will have to cope with an Iranian nuclear threat and an economic crisis, while the possibility of reaching an agreement with the Palestinians remains dubious.

IV. "Futile and Absurd Threats"

The independent, left-leaning Ha'aretz editorialized (3/2): QWhile the firing of Qassam rockets on communities in the south continues as though there had been no war to put an end to it, outgoing Prime Minister Ehud Olmert yesterday once again began threatening Hamas, as if his threats had any validity. QIsrael will not continue to show restraint at the firing of Qassam rockets,Q Olmert said at the beginning of a cabinet session. QIf the firing continues it will be met by a painful response.Q The outgoing Prime Minister has not learned a thing.... Now is not the time for threats, it's the time for negotiations; additional attacks will not put an end to the firing of Qassam rockets, only a long-term cease-fire agreement will do so. This agreement was already within reach.

V. QA Foregone Failure

Veteran journalist and anchor Yaron London wrote in the mass-circulation, pluralist Yediot Aharonot (3/2): QThe vision of one state stretching from the Jordan River to the Mediterranean Sea is a threat, a hope and a refuge from an intolerable situation. A threat -- in the eyes of the vast majority of both Jews and Palestinians who wish for a state of their own. A hope -- in the eyes of a small group of both Israeli and Palestinian radical leaders who see it as a strategy for destroying the Jewish state. A refuge -- in the eyes of Israelis who have grown weary from a

solution that divides the land and yet refuse to accept the apartheid regime that we have set up in the territories. Like the sword of Damocles this vision hovers above our politicians, it serves them as weapon in their election campaign and causes unrest to all prominent Israeli politicians. Few comprehend its nature and importance.... Even if the unforeseen happens and the elites on both sides decide to form a joint political entity, [Israeli sociologist Tamar] Hermann says, it will soon collapse, because both peoples have a tradition of rebelling against their leaders. On both sides, forces will arise that will not accept the defeat of their maximalist visions. What is the conclusion? Perhaps only a last attempt at separation. If it fails, the disasters that we have experienced until today will be like a walk in the park.

CUNNINGHAM